



Vaisala Corporation Stock exchange release 13.2.2009 at 10.00 a.m. 1(15)

**Vaisala Group financial statements for 2008**

**Continued growth**

**October-December 2008:**

- Net sales EUR 77.6 (71.9) million, growth 8.0%.
- Operating profit EUR 14.0 (15.7) million, down by 10.7%.
- Earnings per share EUR 0.57 (0.60), down by 5.6%.
- Orders received EUR 59.8 (53.7) million, growth 11.5%.

**January-December 2008:**

- Net sales EUR 242.5 (224.1) million, growth 8.2%. In comparable currencies, the growth would have been 11.6%.
- Operating profit EUR 38.0 (35.3) million, growth 7.5%.
- Earnings per share EUR 1.56 (1.42), growth 10.0%.
- Orders received EUR 247.9 (228.5) million, growth 8.5%. In comparable currencies, the growth would have been 11.5%.

The figures in this financial statements review are audited.

	1-12 2008 (MEUR)	1-12 2007 (MEUR)	Change (%)	10-12 2008 (MEUR)	10-12 2007 (MEUR)	Change (%)
Group net sales	242.5	224.1	8.2	77.6	71.9	8.0
Measurement Systems	104.4	95.4	9.4	34.6	31.5	9.8
Instruments	85.8	76.6	12.1	24.9	21.6	15.0
Solutions	43.1	34.6	24.4	16.4	13.8	18.7
Services	27.5	33.0	-16.8	8.9	11.1	-19.8
Eliminations and other	-18.3	-15.5		-7.3	-6.2	
Operating profit, group	38.0	35.3	7.5	14.0	15.7	-10.7
Measurement Systems	17.4	12.3	41.8	5.7	4.8	18.9
Instruments	24.3	20.5	18.2	7.3	5.4	36.1
Solutions	-0.5	-0.6	20.9	1.3	1.3	-5.7
Services	-0.2	5.7	-103.4	1.0	3.2	-68.2
Eliminations and other	-3.0	-2.6		-1.2	1.1	
Profit before taxes	38.9	37.0	5.1	13.0	16.0	-19.1
Net profit for the year	28.4	25.8	10.0	10.4	11.0	-5.6
Orders received	247.9	228.5	8.5	59.8	53.7	11.5
Order book	90.3	82.3		90.3	82.3	
Earnings per share	1.56	1.42	10.0	0.57	0.60	-5.6
Return on equity (%)	15.5	14.9				

## **Comments on the fourth quarter**

Vaisala's net sales in the fourth quarter of 2008 showed a year-on-year growth of 8.0 percent. However, the result was burdened by the development projects ongoing in the company, as well as by bonus accruals and financial items. The value of orders received grew by 11.5 percent year-on-year.

### **Outlook**

Instability in the world economy and shifts in currency exchange rates are expected to continue to affect Vaisala's business. Due to the structure of Vaisala's customer base, the company's market situation is expected to remain mostly unchanged in 2009. Vaisala's growth is expected to continue in 2009, but uncertainty towards the end of the year has increased.

Seasonal variations are typical of Vaisala's business, and therefore the first quarter will probably be weaker than subsequent ones.

### **President and CEO Kjell Forsén on Vaisala's result:**

"I am extremely satisfied with the fact that despite the challenging economic situation and the unfavorable shifts of currency exchange rates, Vaisala again managed to maintain its strong market position and grow its net sales by 8.2 percent. I'm very grateful to all personnel for this.

Growth was strongest in Asia-Pacific. Of our business areas, Vaisala Measurement Systems, Vaisala Instruments and Vaisala Solutions all grew in net sales, whereas the Services business was impacted by personnel and infrastructure-related development costs and the continued weakening of the exchange rates.

The economic recession has not impacted us significantly, but we are monitoring the developments very closely. Vaisala's customers, especially in the weather businesses, are often publicly funded and thus may react to changes in the world economy in a slower and more moderate way than businesses more sensitive to economic fluctuations.

Our orders received were still at a good level at the end of the fourth quarter of 2008 and the order book continues to be strong. The starting point for 2009 is good.

We will continue to execute our new strategy with determination, which will require significant investments. However, I am confident that Vaisala will be able to further strengthen its position as the world leader in environmental measurement."

### **Market situation, net sales and order book**

The highest growth in Vaisala Group's net sales in 2008 was in Asia-Pacific, increasing by 27.8 percent on the previous year to EUR 76.9 (60.2) million. Net sales in Europe increased by 5.0 percent to EUR 84.8 million (80.7) and in Africa, South and Central America by 39.0 percent to EUR 13.9 (10.0) million. Sales in North America declined by 8.6 percent to EUR 66.8 (73.2) million. In comparable currencies, the North American segment would have declined by 2.1 percent.

Thanks to focused development work and maintained competitiveness, the company was able to retain its strong market shares.

The value of orders received grew by 8.5 percent from the comparison year and totaled EUR 247.9 million (EUR 228.5 million in 2007, 243.6 million in 2006). The

end-of-year order book stood at EUR 90.3 million (82.3), of which some EUR 20 million can be recognized as sales in 2010 or later.

Vaisala Group's net sales increased by 8.2 percent on the comparison year and totaled EUR 242.5 million (EUR 224.1 million in 2007, EUR 220.8 million in 2006). Net sales of all the business areas apart from Vaisala Services grew: Vaisala Solutions by 24.4 percent, Vaisala Instruments by 12.1 percent and Vaisala Measurement Systems by 9.4 percent. Net sales of Vaisala Services fell by 16.8 percent. The deterioration in exchange rates had a negative impact on the growth of net sales. If the most significant currencies with respect to Vaisala had remained at the previous year's level, Vaisala's consolidated net sales would have been up by 11.9 percent. Operations outside Finland accounted for 94 (96) percent of net sales.

### **Performance and balance sheet**

Operating profit for the financial year was EUR 38.0 million (35.3), or 15.7 percent of net sales. Profit before taxes was 16.0 percent of net sales and totaled EUR 38.9 (37.0) million, up by 5.1 percent. Net profit for the financial year was EUR 28.4 million (25.8), up by 10.0 percent from the previous year.

Vaisala Group's solvency ratio and liquidity remained strong. On December 31, 2008, the balance sheet total was EUR 241.7 million (EUR 225.6 million in 2007, EUR 219.2 million in 2006). The Group's solvency ratio at the end of the financial year was 82 percent (83% in 2007, 81% in 2006).

Vaisala's consolidated liquid assets totaled EUR 103.4 million (EUR, 99.2 in 2007, EUR 87.3 million in 2006).

### **Research and development**

Investment in research and development in the financial year totaled EUR 24.6 million (EUR, 23.5 million in 2007, EUR 20.6 million in 2006), representing 10.1 percent of the Group's net sales.

Vaisala launched a new dewpoint transmitter for extremely dry conditions and a moisture in oil transmitter for the measurement of humidity in lubrication and hydraulic oil. Additionally, LAN and WLAN capabilities were added to the humidity, dewpoint, moisture in oil and pressure transmitters, improving Vaisala's ability to cater for our industrial customers.

Vaisala also launched a redesigned and improved humidity probe, weather transmitter, and wind sensor for weather measurement. Additionally, several customer-specific R&D projects either continued or were completed.

### **Capital expenditure**

Gross capital expenditure totaled EUR 12.2 million (7.3 million in 2007; 20.4 million in 2006).

A new enterprise resource planning (ERP) system for the entire organization is being implemented. The new system supports the company strategy and business processes, replacing several systems that are used currently. The system will be taken into use gradually and the objective is to have it in use globally by the end of 2010.

### **Changes in financial reporting**

From the first Interim Report for 2008, Vaisala Group's business has been reported in four segments, which are Vaisala Instruments, Vaisala Measurement Systems, Vaisala Solutions and Vaisala Services.

All figures for 2007 have been changed to correspond to the new reporting model, and are therefore comparable. These figures were published in a stock exchange release on April 30, 2008.

### **Vaisala Measurement Systems**

Vaisala Measurement Systems consists of sounding, surface weather system, thunderstorm system, wind profiler, and weather radar business segments. In 2008, the range of products and services offered was added to by the transfer of individual products and systems from Vaisala Solutions. Correspondingly, the lightning detection services were moved to the Vaisala Services business area.

Vaisala Measurement Systems' net sales to customers outside the Group showed a year-on-year increase of 10.7 percent, growing to EUR 99.9 (90.2) million. In comparable currencies, the net sales to customers outside the Group would have grown by 13.9 percent. Operating profit was EUR 17.4 (12.3) million.

The growth of net sales was accelerated by several coinciding customer projects in the sounding and surface weather system businesses. Despite new projects, the net sales of wind profilers and lightning detection systems fell short of expectations. However, the market shares of these businesses remained unchanged. Vaisala has several weather radar orders on the books, with revenue expected mostly in 2009.

Annual fluctuation is typical of this business.

The delay caused by a temporary disruption in production in the first quarter was caught up during the third quarter, and the net sales of the soundings business in 2008 was approximately at the same level as in the previous year.

Vaisala and the Australian Bureau of Meteorology signed a three-year agreement to supply radiosondes for the upper air observation network of the Bureau.

Vaisala signed a USD 6.9 million contract with the US Federal Aviation Administration (FAA) for the delivery of weather radar signal processors and software for the FAA Terminal Doppler Weather Radar (TDWR) network, operating at major airports in the USA. The deliveries will take place in 2009.

Vaisala will provide the Russian Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet) with state-of-the-art surface weather monitoring technology. The value of the contract is EUR 4.7 million, and deliveries started in 2008.

The value of orders received was EUR 109.3 million and the order book stood at EUR 41.7 million at the end of the financial year.

### **Vaisala Instruments**

Vaisala Instruments consists of humidity, barometric pressure, carbon dioxide, dewpoint, oxygen, wind and optical measurement business segments.

The instruments business has developed well despite of the weakened US dollar. The business area's net sales to customers outside the Group increased by 8.8 percent to EUR 72.0 (66.2) million compared to the review period. In comparable currencies, the increase in net sales would have been 11.7 percent. Operating profit of the review period was EUR 24.3 (20.5) million.

The growth in the Instruments business came particularly from weather instruments and from sales to important industrial customers.

The value of orders received from external customers was EUR 71.5 million and the order book stood at EUR 7.8 million at the end of the financial year.

### **Vaisala Solutions**

The focus of this business area is in comprehensive weather observation solutions within aviation, traffic, meteorology and hydrology. Therefore single products and systems were transferred to the Vaisala Measurement Systems business area. Additionally, road weather services were moved to the Vaisala Services business area.

Vaisala Solutions' net sales to customers outside the Group showed a year-on-year increase of 24.4 percent, growing to EUR 43.1 (34.6) million. In comparable currencies, the net sales would have been up by 27.3 percent. Operating profit for the year was EUR -0.5 (-0.6) million. Vaisala Solutions has purchased products worth approximately EUR 10 million from Vaisala Instruments and Vaisala Measurement Systems, which shows in the results of these units.

Growth was especially favorable in the aviation and road weather businesses. In terms of meteorological and hydrological systems (MHS), several projects are ongoing with revenue in the books later.

The total value of orders received was EUR 41.8 million and the order book stood at EUR 27.9 million at the end of the financial year.

### **Vaisala Services**

Vaisala's services have been centralized under the Vaisala Services business area, which became operative at the beginning of 2008. Vaisala Services consists of two business segments, Product Services and Observation Services.

Net sales to customers outside the Group showed a year-on-year decrease of 16.8 percent year, to EUR 27.5 (33.0) million. In comparable currencies, the net sales would have been down by 11.0 percent. Operating profit for the year was EUR -0.2 (5.7) million.

Vaisala Services is a new business area and in a strong development phase. Competition in both observation and product services tightened during the year. Additionally the business area's global development initiatives for improving efficiency and enable growth increased the amount of fixed costs. These, together with the weakening of exchange rates, had a negative impact on the net sales and profitability of the services business. Over 70% of the net sales of Vaisala Services are in US dollars or British pounds.

The total value of orders received was EUR 25.3 million and the order book stood at EUR 12.9 million at the end of the financial year.

### **Personnel**

The average number of people employed in the Vaisala Group during the financial year was 1,177 (1,113 in 2007; 1,069 in 2006). Some 39 percent of the personnel was based outside Finland (39% in 2007, 40% in 2006). About 20 percent of the personnel worked in research and development (21% in 2007, 19% in 2006).

Salaries paid by the company are based on local collective and individual agreements, individual performance and the demand level of each job. The base salaries are supplemented by results-based bonus systems, which cover all Vaisala

personnel. The total sum of salaries and bonuses paid in 2008 was EUR 59.7 million (57.2 million in 2007, 57.3 million in 2006).

Vaisala has two incentive plans; one based on the development of sales and profitability and covering all employees, and the other, three-year plan, based on the development of profitability and covering key personnel.

### **Changes in Vaisala Corporation's management**

Martti Husu was appointed Executive Vice President of the Meteorology Business Area and a member of the Business Management Group starting January 1, 2009. Jouni Rantanen was appointed Executive Vice President of the Products and Technology unit and a member of the Business Management Group starting January 1, 2009. Kimmo Korpela was appointed Senior Vice President, Group Business Development and a member of the Strategic Management Group starting January 7, 2009.

Matti Ervasti, Director, Marketing and Sales and Tapio Engström, Director, Business Development resigned from Vaisala.

### **Risk management**

#### **Organization of risk management**

Vaisala has a risk management policy that has been approved by the Board of Directors and that covers the company's strategic, operating and financial risks. Vaisala's Strategic Management Group regularly assesses risk management policies, and the scope, adequacy and focus areas of related practices. The policy aims at ensuring the safety of the company's personnel, operations and products as well as the continuity of operations. The policy also covers intellectual capital, corporate image and brand protection. An appropriate and up-to-date risk concept is integrated in decision-making.

More detailed operational instructions are defined by the Strategic Management Group. These include approval, bidding and procurement authorizations and terms of payments.

The usual risks related to international business affect Vaisala's operating environment. The most significant of these are risks relating to changes in the global economy and hence in purchasing activities, currency exchange rates (with particular respect to the U.S. dollar), supply network management and production activities. Vaisala monitors these risks and prepares for them in accordance with the company's risk management policy. Vaisala's ability to tolerate risks is good and the company has a strong capital structure, ensuring capital adequacy.

Group-level insurance programs and risk-management methods have been established to deal with manageable operating risks. The insurance programs cover risks relating to property damage, business interruption, different liabilities, transport and business travel.

#### **Near-term risks and uncertainties**

The near term risks and uncertainties are estimated to relate to changes in the global economy, shifts of currency exchange rates, changes in purchasing or investment behavior or interruptions in manufacturing. Due to the uncertainty of the financial markets, supplier related risks have slightly increased during the review period.

Significant changes in subcontractor relations, activities or operating environment may have a negative impact on Vaisala's business. Vaisala monitors these risks and prepares for them in accordance with the Company's risk management policy.

The Company is currently implementing significant development projects and organizational changes, which lay the foundation for successful execution of Vaisala's new strategy. A new Group-wide enterprise resource planning system is also under development. These efforts may constitute a short-term risk regarding Vaisala's net sales and result.

#### **Vaisala's shares**

As at the end of 2008, the company's Board of Directors had no valid authorizations for increasing the share capital, granting special rights, or issuing stock option rights.

On December 31, 2007, the average price of Vaisala's A share in the OMX Nordic Exchange Helsinki was EUR 35.60, and on December 31, 2008 the share price was EUR 22.11. The highest quotation during the financial year was EUR 36.49 and the lowest EUR 19.50.

A total of 2,277,884 (5,595,292) Vaisala shares were traded in the stock exchange during the financial year.

Vaisala has 18,218,364 shares, of which 3,405,584 are series K shares and 14,812,780 are series A shares. The shares have a counter book value of EUR 0.42. The K shares and A shares are differentiated by the fact that each K shares entitles its owner to 20 votes at a General Meeting of Shareholders while each A share entitles its owner to 1 vote. The A shares represent 81.3 percent of the total number of shares and 17.9 percent of the total votes. The K shares represent 18.7 percent of the total number of shares and 82.1 percent of the total votes.

The market value of Vaisala's A shares on 31.12.2008 was EUR 327.3 million, excluding the Company's own shares. Valuing the K shares - which are not traded on the stock market - at the rate of the A share's closing price on the final day of the financial year, the total year-end market value of all the A and K shares together was EUR 402.6 million, excluding the company's own shares.

Vaisala's main shareholders are listed on the company's website and in the Notes to the Financial Statements.

The number of shares held and controlled by Vaisala Corporation's Board of Directors on 31 December 2008 was 1,353,425, accounting for 15.6% of the total votes (2007: 1,394,601 shares and 16.6% of the total votes). The company's President and CEO did not own shares or options on December 31, 2007.

#### **Conversion of unlisted shares series K into series A**

Vaisala Corporation's 500 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on June 25, 2008. Listing of the new series A shares was applied for as of June 26, 2008.

Vaisala Corporation's 500 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on September 3, 2008. Listing of the new series A shares was applied for as of September 4, 2008.

Vaisala Corporation's 801 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on December 12, 2008. Listing of the new series A shares was applied for as of December 15, 2008.

## **Treasury shares and parent company shares**

At the end of the financial year, the Company held a total of 9,150 Vaisala A shares, which represented 0.05 percent of the share capital and 0.01 percent of the votes. The consideration paid for these shares was EUR 251,898.31.

## **Board of Directors**

### **Members of the Board**

In accordance with Vaisala Corporation's Articles of Association, the company's Board of Directors comprises at least three (3) and at most six (6) members. According to current practice, the Board comprises six members. All Board members are appointed by a General Meeting of Shareholders. The Board elects a Chairman and a Vice Chairman from among its members.

### **Term of office of members of the Board**

In deviation from recommendation no. 10 of the Finnish Corporate Governance Code, the term of office of members of the Board is not one year. Instead, the term of office is 3 years, as stipulated in the Articles of Association. The term of office begins after the General Meeting of Shareholders at which the member is elected, and ends at the close of the third Annual General Meeting that follows the member's election.

### **Independence of the Board members**

Evaluated against the criteria given in Recommendation 15, all six members of the Board of Directors are independent of the company. Evaluated against the criteria given in Recommendation 15, Yrjö Neuvo, Stig Gustavson, Mikko Niinivaara and Maija Torkko are independent of both the company and the shareholders. Evaluated against the criteria given in Recommendation 15 Raimo Voipio and Mikko Voipio are dependent of significant shareholders. The current composition of the Board of Directors fulfills the independence requirements stated in the Recommendation 14.

### **President and CEO**

Vaisala's President and CEO is appointed by the Board. The President and CEO manages the company in accordance with the instructions and orders given by the Board, and informs the Board of the development of the company's business and financial situation. The President and CEO is also responsible for arranging the company's management.

## **Events relating to the permanent group of insiders**

No loans were granted to any of the persons belonging to the permanent group of insiders, and no contingent liabilities were made on their behalf.

## **Proposals to the Annual General Meeting**

The Board of Directors' proposal for the distribution of profit

According to the financial statements for the year to December 31, 2008, the parent company's distributable funds amount to EUR 140,308,928.32, of which the profit for the financial year is EUR 24,794,249.46.

The Board proposes to the Annual General Meeting that the distributable funds be used as follows:

- A dividend of EUR 0.90 per share be paid, totaling	EUR 16,388,292.60
- To be retained in shareholders' equity	EUR 123,920,635.72
Total	EUR 140,308,928.32

No material changes have occurred in the company's financial situation since the end of the financial year. The company's liquidity remains good and, in the view of the Board, is not threatened by the proposed profit distribution.

The record date for dividend payment has been set at March 31, 2009, and it is proposed that the dividend be paid on April 7, 2009.

The terms of office of Board members Stig Gustavson and Mikko Voipio will end at the Annual General Meeting. Shareholders representing more than 10 percent of all the votes in the company have announced their intention to propose to Vaisala's Annual General Meeting, to be held on March 26, 2008, that the number of Board members will be six. The Board proposes that Stig Gustavson and Mikko Voipio be re-elected.

The Board proposes that PricewaterhouseCoopers Oy, Authorized Public Accountants, and Hannu Pellinen, APA, be re-elected as Vaisala's auditor.

The proposed persons and auditor have given their consent to their re-election.

#### **Events after the financial year**

Vaisala's US subsidiary Vaisala Inc. acquired Aviation Systems Maintenance, Inc (ASMI), a Kansas, U.S. based airport service company. The acquisition closed on January 1st, 2009, and the value of the deal was 3.2 million USD.

Vantaa, Finland February 13, 2009

Vaisala Corporation  
Board of Directors

#### **Publishing of Financial Statements**

Printed Financial Statements for 2008 and the online annual report will be published on week 11 in March 2009.

#### **Annual General Meeting documentation**

Documents relating to financial statements as well as the Annual General Meeting documentation will be available on March 5, 2009 at the company's head office in Vantaa, Vanha Nurmijärventie 21. On request, copies will be sent to shareholders. The material will also be available on [www.vaisala.com](http://www.vaisala.com) on March 5, 2009 the latest.

The forward-looking statements in this release are based on the current expectations, known factors, decisions and plans of Vaisala's management. Although the management believes that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the forward-looking statements, due to for example changes in the economic, market and competitive

environments, regulatory or other government-related changes, or shifts in exchange rates.

## Key Figures

Financial indicators	1-12	1-12	10-12	10-12
	2008	2007	2008	2007
Return on equity (ROE)	15.5%	14.9%	15.5%	14.9%
Number of shares at December 31 (1000 pcs)	18 209	18 209	18 209	18 209
Number of shares at December 31 (1000 pcs), weighted average	18 209	18 209	18 209	18 209
Adjusted number of shares (1000 pcs)	18 209	18 209	18 209	18 209
Earnings/share (EUR)	1.56	1.42	0.57	0.60
Earnings/share (EUR), fully diluted	1.56	1.42	0.57	0.60
Net cash flow from operating activities/share (EUR)	1.77	1.98		
Equity/share (EUR)	10.47	9.68	10.47	9.68
Solvency ratio	82%	83%	82%	83%
Gross capital expenditure (EUR Million)	12.2	7.3	4.4	2.2
Depreciation (EUR Million)	8.2	8.2	2.2	2.1
Average personnel	1 177	1 113	1 205	1 107
Order book (EUR Million)	90.3	90.3	82.3	82.3
Liabilities from derivative contracts	14.8	14.3	14.8	14.3

This report qualifies all IAS 34, Interim Financial Reporting, standards requirements. The same accounting policies were applied in the annual financial statements. The figures in this financial statements review are audited.

## CONSOLIDATED INCOME STATEMENT (IFRS, EUR Million)

	1-12	1-12	Change	10-12	10-12	Change
	2008	2007	%	2008	2007	%
Net sales	242.5	224.1	8.2	77.6	71.9	8.0
Cost of production and procurement	-105.1	-99.6	5.5	-33.6	-32.6	2.8
Gross profit	137.4	124.5	10.3	44.0	39.2	12.3
Other operating income	0.1	0.0	7 000.0	0.0	0.0	
Cost of sales and marketing	-51.5	-46.2	11.4	-15.8	-12.7	24.4
Development costs	-24.6	-23.5	4.8	-7.0	-6.6	5.7
Other administrative costs	-23.4	-19.5	19.9	-7.2	-4.1	73.1
Other operating cost	0.0	0.0		0.0	0.0	-105.0
Operating profit	38.0	35.3	7.5	14.0	15.7	-10.7
Financial income and expenses	0.9	1.6	-46.8	-1.1	0.4	-399.7
Share of results of associated companies	0.0	0.0	3.3	0.0	0.0	1 550.0
Profit before tax	38.9	37.0	5.1	13.0	16.0	-19.1
Income taxes	-10.5	-11.2	-6.0	-2.6	-5.0	-48.3
Profit after tax	28.4	25.8	10.0	10.4	11.0	-5.6

Attributable to Equity holders of the parent	28.4	25.8	10.0	10.4	11.0	-5.6
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Taxes for the review period have been calculated under taxes.

Earnings per share for profit attributable to the equity holders of the parent						
Earnings per share, EUR	1.56	1.42	10.0	0.57	0.60	-5.6

CONSOLIDATED BALANCE SHEET  
(EUR million)

	31.12.2008	31.12.2007	Change %
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	17.3	17.8	-2.8
Tangible assets	39.1	33.1	17.8
Investments in associates	0.6	0.5	20.2
Other financial assets	0.1	0.0	440.0
Long-term receivables	0.1	0.1	27.1
Deferred tax assets	5.8	4.7	21.8
<b>CURRENT ASSETS</b>			
Inventories	22.8	16.1	41.1
Trade and other receivables	51.7	53.4	-3.0
Accrued income tax receivables	0.8	0.5	58.6
Financial assets recognized at fair value through profit and loss	25.3	42.6	-40.6
Cash and cash equivalents	78.1	56.6	37.8
<b>TOTAL ASSETS</b>	<b>241.7</b>	<b>225.6</b>	<b>7.2</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	7.7	7.7	0.0
Share issue	0.0	0.0	
Share premium reserve	16.6	16.6	0.0
Reserve fund	0.2	0.1	62.3
Translation differences	-4.1	-5.4	-24.3
Profit from previous years	142.1	131.8	7.8
Own shares	-0.3	-0.3	0.0
Profit for the financial year	28.4	25.8	10.0
<b>Total equity</b>	<b>190.6</b>	<b>176.3</b>	<b>8.1</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Retirement benefit obligations	0.3	0.3	2.9
Interest-bearing liabilities	0.0	0.2	-100.0
Provisions	0.7	0.2	255.2
Deferred tax liabilities	0.4	0.4	-4.6
<b>Current liabilities</b>			

Current portion of long-term borrowings		0.0	0.1	-100.0
Current interest-bearing liabilities		0.2	0.7	-65.9
Advances received		10.3	12.0	-13.6
Accrued income tax payables		1.8	2.5	-27.7
Trade and other payables		37.3	32.9	13.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		241.7	225.6	7.2

CONSOLIDATED STATEMENT OF CHANGES IN  
SHAREHOLDERS' EQUITY December 31, 2008  
(EUR million)

	Share capi- tal	Share issue	Share pre- mium re- serve	Re- serve fund	Own sha- res	Trans- lation dif- fer- ences	Retain- ed earn- ings	Total equi- ty
Balance at January 1, 2008	7.7	0.0	16.6	0.1	-0.3	-5.4	157.6	176.3
Translation differences				0.0		1.3	0.0	1.3
Transfers between Reserve fund and Retained earnings				0.1			-0.1	0.0
Net profit for the period							28.4	28.4
Dividend paid							-15.5	-15.5
Balance at December 31, 2008	7.7	0.0	16.6	0.2	-0.3	-4.1	170.4	190.6

	Share capi- tal	Share issue	Share pre- mium re- serve	Re- serve fund	Own share s	Trans- lation dif- fer- ences	Retain- ed earn- ings	Total equi- ty
Balance at January 1, 2007	7.7	0.0	16.6	0.1	-0.3	-1.6	147.3	169.8
Translation				0.0		-3.8		-3.8

differences									
Net profit for the period								25.8	25.8
Dividend paid								-15.5	-15.5

Balance at December 31, 2007	7.7	0.0	16.6	0.1	-0.3	-5.4		157.6	176.3
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CONSOLIDATED CASH FLOW STATEMENT (EUR million)

	1-12 2008	1-12 2007	Change %
Cash flows from operating activities			
Cash receipts from customers	241.4	228.2	5.8
Other income from business operations	0.1	0.0	478.8
Cash paid to suppliers and employees	-197.6	-184.0	7.4
Interest received	0.0	3.4	-99.4
Interest paid	-0.2	-0.4	-58.8
Other financial items, net	0.9	-0.4	-330.8
Dividend received from business operations	0.0	0.0	10.0
Direct tax paid	-12.5	-10.8	15.6
Cash flow from business operations (A)	32.2	36.0	-10.5
Cash flow from investing activities			
Investments in intangible assets	-0.5	-0.5	-12.2
Investments in tangible assets	-12.0	-6.9	73.5
Acquisition of subsidiary, net of cash acquired	0.0	0.0	
Proceeds from sale of fixed assets	0.2	0.0	8 238.5
Loans granted	0.0	0.0	
Repayment of loans	0.0	0.0	-89.1
Other investments	-0.2	0.0	-483.1
Financial assets recognized at fair value through profit and loss	17.3	-1.4	
Cash flow from investing activities (B)	4.9	-8.7	-155.9
Cash flow from financing activities			
Repayment of long-term loans	0.1	-0.2	-148.6
Dividend paid and other distribution of profit	-15.5	-15.5	0.0
Cash flow from financing activities (C)	-15.4	-15.7	-2.3
Change in liquid funds (A+B+C) increase(+) / decrease (-)	21.7	11.6	88.3
Liquid funds at beginning of period	56.7	46.1	22.9
Foreign exchange effect on cash	-0.3	-1.0	-69.2
Net change in cash and cash equivalents	21.7	11.6	88.3
Liquid funds at end of period	78.1	56.7	37.8

Segment Report  
Business segments

1-12/2008 EUR million	VMS *	VIN *	VSO *	VSE *	Other opera t- ions	Eli- minat- ions	Group
Net sales to external customers	99.9	72.0	43.1	27.5	0.0	0.0	242.5
Intragroup sales	4.5	13.8	0.0	0.0	0.1	-18.5	0.0
Net sales	104.4	85.8	43.1	27.5	0.2	-18.5	242.5
Operating profit	17.4	24.3	-0.5	-0.2	-3.0	0.0	38.0
Depreciation	2.1	1.5	0.1	1.1	3.3	0.0	8.2

- \* VMS = Vaisala Measurement Systems
- \* VIN = Vaisala Instruments
- \* VSO = Vaisala Solutions
- \* VSE = Vaisala Services

Segment Report  
Business segments

1-12/2007 EUR million	VMS *	VIN *	VSO *	VSE *	Other opera t- ions	Eli- minat- ions	Group
Net sales to external customers	90.2	66.2	34.6	33.0	0.0	0.0	224.1
Intragroup sales	5.2	10.4	0.0	0.0	0.0	-15.5	0.0
Net sales	95.4	76.6	34.6	33.0	0.0	-15.5	224.1
Operating profit	12.3	20.5	-0.6	5.7	-2.6	0.0	35.3
Depreciation	2.1	1.6	0.2	1.0	3.2	0.0	8.2

- \* VMS = Vaisala Measurement Systems
- \* VIN = Vaisala Instruments
- \* VSO = Vaisala Solutions
- \* VSE = Vaisala Services

Segment Report  
Business segments

10-12/2008 EUR million	VMS *	VIN *	VSO *	VSE *	Other opera t- ions	Eli- minat- ions	Group
Net sales to external customers	33.0	19.2	16.4	8.9	0.0	0.0	77.6

Intragroup sales	1.6	5.7	0.0	0.0	0.0	-7.3	0.0
Net sales	34.6	24.9	16.4	8.9	0.0	-7.3	77.6
Operating profit	5.7	7.3	1.3	1.0	-1.2	0.0	14.0
Depreciation	0.6	0.4	0.0	0.3	0.8	0.0	2.2

- \* VMS = Vaisala Measurement Systems
- \* VIN = Vaisala Instruments
- \* VSO = Vaisala Solutions
- \* VSE = Vaisala Services

Segment Report  
Business segments

10-12/2007 EUR million	VMS *	VIN *	VSO *	VSE *	Other opera t- ions	Eli- minat- ions	Group
Net sales to external customers	29.3	17.6	13.8	11.1	0.0	0.0	71.9
Intragroup sales	2.2	4.0	0.0	0.0	0.0	-6.2	0.0
Net sales	31.5	21.6	13.8	11.1	0.0	-6.2	71.8
Operating profit	4.8	5.4	1.3	3.2	1.1	0.0	15.7
Depreciation	0.5	0.4	0.1	0.3	0.8	0.0	2.1

- \* VMS = Vaisala Measurement Systems
- \* VIN = Vaisala Instruments
- \* VSO = Vaisala Solutions
- \* VSE = Vaisala Services

Calculation of financial indicators

Solvency ratio, (%)	=	Shareholders' equity plus minority interest ----- Balance sheet total less advance payments	x 100
Earnings / share	=	Profit before taxes less taxes +/- minority interest ----- Average number of shares, adjusted	
Cash flow from business operations / share	=	Cash flow from business operations ----- Number of shares at balance sheet date	

Equity / share =  $\frac{\text{Shareholders' equity}}{\text{Number of shares at balance sheet date, adjusted}}$

Dividend / share =  $\frac{\text{Dividend}}{\text{Number of shares at balance sheet date, adjusted}}$

Further information:

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